Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by Verizon for Authorization	)	
Under Section 271 of the Communications	)	
Act to Provide In-Region, InterLATA	)	WC Docket No. 02-67
Services in the State of New Jersey	)	
	)	

DECLARATION OF VIJETHA HUFFMAN
ON BEHALF OF WORLDCOM, INC.

Based on my personal knowledge and on information learned in the course of my duties, I, Vijetha Huffman, declare as follows:

1. My name is Vijetha Huffman. I am Senior Manager of Local Business Development for the Mass Markets Division of WorldCom. I am responsible for financial planning, operational and business analysis, and new market development in support of WorldCom's entry into the residential local business. This includes calculating the applicable rates and charges for unbundled network elements ("UNEs") obtained from incumbent local exchange carriers, evaluating the financial viability of providing residential local service in markets that WorldCom has not yet entered and determining price changes necessary for WorldCom to enter. I have worked for WorldCom (and its predecessor MCI) for six years in a number of finance positions.

2. The purpose of my declaration is to explain how proper calculation of Verizon's switching charges reveals that Verizon's switching rates for an average residential customer are significantly higher in New Jersey than in New York. Usage levels are important for this

analysis. To show the reasonableness of the usage assumptions in the model that WorldCom uses to compare switching rates among states, I rely on the actual usage experience of MCI in the local residential market in New York, where we have been serving large numbers of residential customers beginning in late 1998. This provides evidence of the charges that competitive local exchange carriers ("CLEC") face in the marketplace.

3. In Attachment 1 to this declaration, we compare New Jersey switching charges to New York (and other states) based on the assumption each line will generate *** *** minutes of local originating switch usage each month and a comparable amount of terminating usage. That number has been used consistently by WorldCom in analyzing the profitability of various states for some time, and is significantly lower than our actual recent experience in New York. As shown in Attachment 2 to this declaration, our actual experience in New York is that the average residential line generates over *** *** minutes of local originating switch usage each month. This level of usage in New York is not an aberration from WorldCom's other states and, in fact, is not the highest usage of the various states that WorldCom has entered. Terminating usage is not measured but is believed to be roughly equal to originating usage.

4. WorldCom's data for New York comes from the actual originating minutes in the switch usage files that Verizon sends to us for our residential customers in New York. The total number of originating minutes each month is divided by the total number of lines in service to obtain the average number of originating minutes per line. Since this usage record is for our retail residential customers in New York, the data is not impacted by the varying usage of business customers or by complications introduced by wholesale customers that may not have typical residential levels of usage.

5. By contrast, Verizon calculates a significantly lower level of usage per line in

New York than WorldCom's actual residential experience, acknowledging in its application that its usage levels include business, public retail, resale and UNE-P lines along with residential lines. While WorldCom does not have residential experience in New Jersey, Verizon calculates numbers in the same manner for both states and provides data that usage in New Jersey is 93% of the level in New York. Applying that ratio to our New York experience yields roughly *** *** originating minutes, which is still well above the assumption of *** *** originating minutes in WorldCom's model.

6. The usage level per line used to compare switching rates in New Jersey and New York is important because New Jersey has a much higher usage rate and lower port rate than New York. Thus, New Jersey rates are much more dependent on the usage level. The different emphasis on usage and port makes it critical to use a realistic level of usage to determine how New Jersey switching rates compare to New York rates. Comparing switch usage plus port is most relevant because these are the key components of switching, and costs can be recovered from usage or port depending on the cost model used.

7. In Attachment 1, the various aspects of Verizon's switching costs can readily be compared between New Jersey and New York (and other states). The basic switching rate (switch usage plus port) is $7.76 per line per month in New Jersey compared to $5.24 in New York, a difference of $2.52, which is 48% above the New York rate. This is true even though switching costs in New Jersey are slightly less than in New York as Verizon notes (and WorldCom's Dr. Frentrup confirmed).

8. As discussed above, Verizon uses too low a usage level per line to accurately determine whether New Jersey rates are comparable to New York's for an average customer. Even worse, Verizon does not use the same number of minutes in each calculation. As described

in Dr. Frentrup's declaration, Verizon's use of different minute assumptions in New Jersey and New York is erroneous. By Verizon's logic, if usage was much lower in the state being compared to the "benchmark" state, the rates could be much higher (so long as the total expenditure on switching is the same). But that is illogical because the point is to compare the rates, and the only reason why an average customer's usage is needed is due to the different ways that switching rates and call flows are calculated in various states.

9. New Jersey switching is still much more expensive than New York's even if all "non-loop" charges are added into the mix, although this analysis adds in separate non-switch related costs that should be considered separate from switching. As shown on Attachment 1, the New Jersey rate per month for all non-loop charges is $8.29 in New Jersey compared to $6.91 in New York, which is 20% above the New York rate. Such a substantial difference on every line every month makes a big difference to the viability of competition, and can easily make or break a business plan for residential service.

10. Based on these calculations, Verizon is simply wrong in concluding that its New Jersey switching rates are comparable to New York's rates or can be "benchmarked" to New York. As shown above, New Jersey rates are substantially higher than New York rates and should be reduced to cost-based levels which would cause them to fall in line with New York rates.

11. This concludes my declaration on behalf of WorldCom.